

CITY OF VINELAND

ORDINANCE NO. 2021-74

ORDINANCE AUTHORIZING THE EXECUTION OF A SHARED SERVICES AGREEMENT BY AND BETWEEN THE CITY OF VINELAND AND THE LANDIS SEWERAGE AUTHORITY FOR THE PROVISION AND PAYMENT OF CERTAIN SANITARY SEWER IMPROVEMENTS BY THE CITY OF VINELAND FOR THE BENEFIT OF THE RATE PAYERS OF THE LANDIS SEWERAGE AUTHORITY FOR PROPERTIES LOCATED ON CAVALLO DRIVE.

WHEREAS, the City of Vineland (City) and Landis Sewerage Authority (Authority) are authorized by the statutes of the State of New Jersey to provide sanitary sewer services to their respective taxpayers and rate payers, as applicable: and

WHEREAS, the Authority has determined that it is necessary to provide sanitary sewer service and improvements to certain properties within the City limits more particularly described as Block 6901 Lots 12, 13, 14, 15, 16, 17, 18, 19, 20 and 21 (Properties) which improvements consist of installation of approximately 600 feet of 8 inch PVC gravity sewer pipe, two 4 foot diameter manholes, house laterals, connections into existing manholes, paving and restoration including all work and materials necessary therefore in accordance with the plans and specifications on file in the office of the City Clerk (Project); and

WHEREAS, the City agrees to finance the Project on behalf of the Authority in an amount not to exceed \$210,000.00 through the issuance of bonds and/or notes of the City (Debt Obligation); and

WHEREAS, the Authority will construct and complete the Project and requisition reimbursement from the city for the Costs of the Project which shall be paid by the City to the Authority from proceeds from the Debt Obligations and be reimbursed by the Authority subject to and in accordance with the terms and conditions of a Shared Services Agreement attached hereto and made a part hereof; and

WHEREAS, City Council finds it to be in the best interest of the City to fund the construction of the Project and be reimbursed by the Authority so as to provide sanitary sewer to properties deemed necessary by the Authority in accordance with N.J.S.A. 40:14B-49; and

WHEREAS, simultaneously herewith the City shall consider the adoption of a Bond Ordinance on behalf of the Landis Sewerage Authority for the funding of the Project authorizing the issuance of \$210,000.00 Bonds or Notes of the City for financing a portion of the costs thereof and directing a special assessment of the cost thereof

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Vineland that the Mayor and Clerk are hereby authorized to execute a Shared Services Agreement with the Landis Sewerage Authority for the provision and payment of certain sanitary sewer improvements for the benefit of the ratepayers of the Landis Sewerage Authority for properties listed therein subject to the adoption of the Bond Ordinance funding the same in the form and substance as attached hereto and made a part hereof.

BE IT FURTHER ORDAINED that should any portion of this Ordinance be deemed unenforceable by a court of competent jurisdiction, that portion so determined to be unenforceable, shall be void and the balance hereof shall remain in full force and effect.

CITY OF VINELAND

BE IT FURTHER ORDAINED that should any Ordinance or portion thereof be inconsistent herewith, such Ordinance or portion thereof shall be void to the extent of such inconsistencies.

This Ordinance shall take effect upon adoption and publication according to law.

Passed first reading:

Passed final reading:

President of Council

ATTEST:

City Clerk

A SHARED SERVICES AGREEMENT BY AND BETWEEN THE CITY OF VINELAND AND THE LANDIS SEWERAGE AUTHORITY FOR THE PROVISION AND PAYMENT OF CERTAIN SANITARY SEWER IMPROVEMENTS BY THE CITY OF VINELAND FOR THE BENEFIT OF THE RATEPAYERS OF THE LANDIS SEWERAGE AUTHORITY.

THIS SHARED SERVICES AGREEMENT ("Agreement") is made on this ____ day of _____, 2021 between the City of Vineland (the "City"), a municipal corporation of the State of New Jersey with principal offices located at 640 East Wood St Vineland, New Jersey 08360 and The Landis Sewerage Authority (the "Authority"), a body politic and corporate of the State of New Jersey with principal offices located at 1776 South Mill Road, Vineland, New Jersey 08360 4255.

WITNESSETH:

WHEREAS, City is a municipal corporation organized under the laws of the State of New Jersey and located in Cumberland County; and

WHEREAS, the Authority is a sewerage authority organized under the laws of the State of New Jersey and located in Cumberland County; and

WHEREAS, both the City and the Authority are authorized by the statutes of the State of New Jersey to provide sanitary sewer service to their taxpayers or ratepayers, as applicable; and

WHEREAS, the Authority has determined that it is necessary to provide sanitary sewer service and improvements to certain properties within the City limits which are identified on Exhibit A hereto (the "Properties") which improvements consist of the installation of sanitary sewer on Cavallo Drive in the City, consisting of approximately. 600 feet of 8" PVC gravity sewer pipe, two 4 foot diameter manholes, house laterals, connections into existing manholes, paving and restoration including all work and materials necessary therefor and incidental thereto (the "Sewer Project"), all as shown on and in accordance with the plans and specifications on file in the office of the City Clerk, and which Properties are located within the service area of the Authority; and

WHEREAS, the City is a rated municipality that regularly accesses the capital markets to finance capital improvements while the Authority has no bond rating and has not accessed the capital markets in recent years, therefore the Authority has requested the City to issue bonds and/or notes in order to finance the Sewer Project and to minimize the financing costs associated with the Sewer Project; and

WHEREAS, the City has agreed to finance the Sewer Project on behalf of the Authority in an amount not to exceed \$210,000 through the issuance of bonds and/or notes (the "Debt Obligations") of the City; and

WHEREAS, the Authority will construct and complete the Sewer Project and requisition reimbursement from the City for the costs of the Sewer Project incurred by the Authority, which shall be paid by the City to the Authority from the proceeds of the Debt Obligations; and

WHEREAS, the Authority acknowledges that the Debt Obligations issued by the City are for the benefit of the Authority and the Authority agrees that if the amount of the special assessments as finally confirmed is less than the cost of the Sewer Project, or if the special assessments imposed upon the Properties is insufficient to repay the amount of Debt Obligations used to reimburse the Authority, then the City will contribute the difference to the cost of the improvement and be reimbursed by the Authority pursuant to this shared services agreement; except in the case where a home owner does not pay their share of the assessment, the City shall place a lien on the property and the Authority is not obliged to reimburse the City for this amount; additionally the Authority agrees to contribute the \$10,000 down payment the City is required to appropriate for the bond ordinance authorizing the issuance of the Debt Obligations to the City with such down payment amount to be recovered as part of the assessment process and paid back to the Authority; and

WHEREAS, the proper and respective municipal officers will be authorized to execute this Agreement pursuant to ordinances or resolutions duly adopted by their respective governing bodies;

NOW THEREFORE, AND IN CONSIDERATION of mutual promises set forth herein, the parties hereto agree as followed:

1. PERFORMANCE

- (a) The City shall finance the Sewer Project for the benefit of the Authority and the Properties (described on Exhibit A hereto) through the issuance of the Debt Obligations (as defined herein) of the City in an amount not to exceed \$210,000 and the Authority will construct and complete the Sewer Project and requisition reimbursement from the City for the costs of the Sewer Project incurred by the Authority, which shall be paid by the City to the Authority from the proceeds of the Debt Obligations.
- (b) The Authority agrees to cause the completion of the Sewer Project and the Authority agrees that if the amount of the special assessments as finally confirmed is less than the cost of the Sewer Project, or if the special assessments imposed upon the Properties is insufficient to repay the amount of Debt Obligations used to reimburse the Authority, then the City will contribute the difference to the cost of the improvement and be reimbursed by the Authority pursuant to this shared services agreement, except in the case where a home owner does not pay their share of the assessment, the City shall place a lien on the property and the Authority is not obliged to reimburse the City for this amount; the Authority also agrees to contribute the \$10,000 down payment the City is required to appropriate for the bond ordinance authorizing the issuance

of the Debt Obligations to the City with such down payment amount to be recovered as part of the assessment process and paid back to the Authority at a later date.

2. TERM

The term of this agreement shall end once the City has collected all amount necessary to repay the debt service for the Debt Obligations issued to finance the Sewer Project.

3. NOTICES

All notices hereunder shall be in writing and sent to the City at 640 East Wood St Vineland, New Jersey 08360: Attention: Chief Financial Officer, and to the Authority at 1776 South Mill Road, Vineland, New Jersey 08360: Attention: Executive Director.

4. MISCELLANEOUS

The following provisions shall apply to this Agreement:

a. Construction of this Agreement

The parties acknowledge that this Agreement was prepared under New Jersey Law and shall therefore be interpreted under the laws of that State.

b. Amendments

This Agreement may not be amended, altered or modified in any manner except in writing signed by the parties hereto.

c. Headings

This section and any other headings contained in this Agreement are for reference only and shall not affect the meaning and interpretation of the contract.

d. Invalid Clause

The invalidity of any clause contained herein shall not render any other provision invalid and the balance of this Agreement shall be binding upon all parties hereto.

e. Entire Agreement

This Agreement shall consist of the entire Agreement of the parties and it is acknowledged that there are no side or oral agreements relating to this undertaking set forth herein.

f. Assignability

This Agreement and all rights, duties and obligations contained herein may not be assigned.

g. Waiver

It is understood and agreed by the parties that a failure or delay in enforcement of any provisions of this Agreement by either of the parties shall not be construed as a waiver of those provisions.

[REMAINDER OF PAGE LEFT INTENTIONALL BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year mentioned on the first page of this Agreement.

THE CITY OF VINELAND

BY: _____
ANTHONY FANUCCI
MAYOR

THE LANDIS SEWERAGE AUTHORITY

BY: _____
DENNIS W. PALMER
EXECUTIVE DIRECTOR

EXHIBIT A

The City Block and Lot numbers for the properties to be assessed are as follows:

Block 6901, Lots 12, 13, 14, 15, 16, 17, 18, 19, 20 and 21.